

Notice of Creditable Coverage

State of New Hampshire

Department of Administrative Services

Important Information About Your State of New Hampshire Prescription Drug Benefits and Medicare Prescription Drug Coverage

Please read this Notice carefully. It explains the options you have under Medicare Prescription Drug Coverage and can help you decide whether you want to enroll. Keep this Notice in a safe place where you can find it.

The State of New Hampshire will continue to provide prescription drug coverage for Medicare-eligible enrollees for 2006. You **DO NOT** need to join **ANY** Medicare prescription drug plan because you have coverage available through the State.

This Notice has information about:

- New Medicare Prescription Drug Coverage available to everyone with Medicare starting January 1, 2006.
- How the State of New Hampshire's existing prescription drug benefits are, on average for all retired and active employee enrollees, at least as good as standard Medicare Prescription Drug Coverage.
- What your choices are and what happens to your coverage under the health coverage provided through the State of New Hampshire if you elect Medicare Prescription Drug Coverage.
- Where to find more information to help you make decisions about your prescription drug coverage.

New Medicare Prescription Drug Coverage

Starting January 1, 2006, prescription drug coverage will be available to everyone with Medicare (receiving Part A or enrolled in Part B) through Medicare Prescription Drug Plans (PDPs). Most people will have to pay a monthly premium for Medicare Prescription Drug Coverage. For people with limited income and assets, extra help paying for Medicare Prescription Drug Coverage is available. All Medicare PDPs will provide at least a standard level of coverage as set by Medicare. Some Medicare PDPs might offer better coverage for a higher monthly premium.

If you have Medicare, you can join a Medicare PDP between November 15, 2005 and May 15, 2006. Each year after that, you will have the opportunity to enroll in a Medicare PDP between November 15 and December 31.

Existing Coverage as Good As Standard Medicare Prescription Drug Coverage

The State has determined that your existing State of New Hampshire prescription drug benefits are, on average, “creditable coverage,” which means the State’s prescription drug coverage is expected to pay as much in claims for all participants (or more in some cases) as standard Medicare Prescription Drug Coverage.

Because your current prescription drug benefits with the State’s coverage, on average, are as good as Medicare standard coverage, you can choose to stay covered under the State of New Hampshire plan and not be subject to a higher premium penalty if you later join a Medicare PDP.

Keep this Notice. If you enroll for Medicare Prescription Drug Coverage after May 15, 2006, you will need a copy of this Notice when you enroll. This Notice verifies that you have **creditable coverage** and that you are not required to pay a higher premium penalty if you later enroll in Medicare Part D.

Your Choices and the Consequences

You should compare your current state coverage, including which medications are covered, with the coverage and cost of the Medicare PDPs in NH. Different PDPs will cover different brand name medications and will have different deductibles, coinsurance or copayments, and will charge different premiums. However, for all the reasons set forth in the September 9, 2005 letter to state retirees from Commissioner Donald S. Hill, it will generally be financially advantageous for all retirees with state-paid medical coverage to continue to receive pharmacy benefits under that coverage, and not through Medicare Part D. (A chart comparing your state coverage with Medicare Part D is attached.)

If you **do not enroll** for Medicare Prescription Drug Coverage, you will continue to receive your current prescription drug benefits under the State’s plan (as long as you are otherwise eligible to continue state coverage). You will continue to be eligible to receive all current prescription drug benefits.

If you do **enroll** for Medicare Prescription Drug Coverage, you will continue to receive prescription drug coverage under the State’s plan (as long as you are otherwise eligible to continue state coverage). Remember that for almost all people there is a monthly premium for Medicare Prescription Drug Coverage.

Note: If you drop or lose your coverage with the State’s plan and do not enroll for Medicare Prescription Drug Coverage promptly after your current coverage ends, you may pay more to enroll in Medicare Prescription Drug Coverage later. If after May 15, 2006, you go 63 days or longer without prescription drug coverage that is at least as good as Medicare Prescription Drug Coverage, your monthly premium for Medicare Prescription Drug Coverage will increase. The increase will be at least 1% per month for every month after May 15, 2006 that you were eligible for but did not have coverage. For example, if you go 19 months without coverage, your monthly premium will always be at least 19% higher than what most other people pay. You will have to pay this higher premium penalty as long as you have Medicare Prescription Drug Coverage. In addition, you may have to wait until the next open enrollment period (November 15 through December 31 each year) to enroll.

For More Information About Medicare Prescription Drug Coverage

You will receive a comprehensive “Medicare & You 2006” handbook in the mail from Medicare. You will also receive information directly from Medicare PDPs. To get additional information, you can:

- Visit <http://www.nh.gov>
- Visit www.medicare.gov for personalized help.
- Call NH’s Health Insurance Counseling and Assistance Services (HICEAS) at 1-(800) 852-3388 or ServiceLink at 1-(866) 634-9142.
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and assets, extra help paying for Medicare Prescription Drug Coverage is available. To get more information about this extra help, you can:

- Visit www.socialsecurity.gov/prescriptionhelp
- Call 1-800-772-1213 (TTY 1-800-325-0778).

If you have any questions about this Notice or would like more information about your prescription drug benefits under the coverage provided by the State of New Hampshire, please call a Member Services Representative at the Local Government Center at 1-800-527-5001.

In the future, the State of New Hampshire will periodically send you an updated copy of this Notice for your records. You also may request a copy of this Notice at any time by contacting Member Services Representative at the Local Government Center at 1-800-527-5001.

Date: October 2005

Entity/Sender: State of New Hampshire

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Concord, NH 03301

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Health care benefits through the State of New Hampshire are not vested or guaranteed. They may be modified, reduced, or terminated at any time, as provided by law.